GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

APIIC Ltd. – Permission to APIIC to incur expenditure for committed infrastructure facility i.e. for construction of 4-lane Road & Rail Over Bridge (ROB) at KIA site, Erramanchi (V), Penukonda (M), Ananthapuramu District to a tune of Rs.97.33 Crores from out of the loan amount & Administrative sanction – Accorded - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.MS.No. 100 Dated: 29-08-2018

Read the following:

1.G.O.Ms.No.56, Ind & Com (P&I) Dept, dt.26.04.2017.
2.G.O.Ms.No.83, Ind & Com (Infra) Dept, dt.06.06.2017.
3.G.O.Ms.No.125, Ind & Com (Infra) Dept, dt.14.09.2017.
4.G.O.Ms.No.8, Ind & Com (Infra) Dept, 09.01.2018.
5.G.O.Ms.No.34, Ind & Com (P&I) Dept, dt.17.03.2018.
6.From the VC & MD, APIIC Ltd., Vijayawada Single File No.APIIC-16025/11/2018-ENGG WING I-APIIC & Lr.dt.01.08.2018.

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ORDER:

In the reference 1st read above, orders were issued extending the various incentives and infrastructure support to M/s.Kia Motors Corporation (KMC) for establishment of a manufacturing unit at Erramanchi (V), Penukonda (M), Ananthapuramu District based on the recommendations of SIPB in its meeting held on 21.04.2017.

2. In the reference 2nd read above, orders were issued granting Government guarantee on the request of APIIC for the principle amount of Rs.2,000 Crores and interest accrued thereon including moratorium period separately in favour of Bank of India, Canara Bank & Union Bank of India. The said orders were issued with the concurrence of Finance (PMU-Rev-I&C) Dept., and after placing the matter before the Council of Ministers which accorded its approval.

3. In the reference 3rd above, permission was accorded to APIIC Ltd., to incur the amount for concession on land cost and for infrastructure facilities to a tune of Rs.450.29 Crores (includes the amount of Rs.28.83 Crores towards Seignorage charges) in respect of M/s.Kia Motors Corporation (KMC) and also to clear the backlog incentives from out of the Government guarantee amount of Rs.2,000 Crores.

4. In the reference 4th read above, Permission was accorded to APIIC to take up the infrastructure works i.e. Bulk Water Supply (Rs.22.00 Crores), Power infrastructure (Rs.63.00 Crores) and Road over Bridge (Rs.80.00 Crores) in the Ananthapuramu Automobile Corridor for the Automobile Unit of M/s.KIA Motors India (P) Ltd., (KMIPL) from Rs.2,000 Crores borrowed by APIIC for Land Acquisition Purpose.

5. In the reference 5th read above, orders were issued towards Vendor State Support package under "Backward Areas Ultra Mega Integrated Automobile Projects Policy" and "Industrial Development Policy 2015-20" to M/s.Hyundai Dymos India (P) Ltd., Tier-1 Associate of M/s.KIA Motors India (P) Ltd (KMI) to set-up Ancillary unit at KMI Project Site, Ananthapuramu Dist based on the decisions of SIPB held on 15.02.2018. At para.9 (m) of G.O. the APIIC was directed to identify land parcels for development of "South Korea City" close to the sites of KMI and their Vendors/Associates i.e. in Ammavarupalli & Gudipalli Villages, in order to create an eco-system for attracting automobile industries and also to create infrastructure such as power supply, water supply, access roads, service roads, and storm water drainage up to the tiein-point of the vendors of KMI coming up in Gudipalli & Ammavaupalli villages with an estimated cost of Rs.185.50 Cr, which include Roads (Rs.107.50 Cr); Water (Rs.37.80 Cr); and Power (Rs. 40.20 Cr). Accordingly, the VC&MD, APIIC Ltd., vide reference 6th read above, has submitted a separate proposal, citing the directions contained in G.O. 5th read above.

6. During a Meeting conducted on 08.06.2018 instructions were issued to the APIIC Ltd., to furnish detailed estimate for vetting by group of Engineers in respect of ROB with estimated cost of Rs.80.00 Crores for taking further necessary action.

(P.T.O.)

7. In the references 6th read above, the Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., has submitted that as per the MoU entered between KIA & GoAP, an Road/Rail over Bridge has to be constructed at KIA site for exclusive use of KIA Motors for which a provision has been made for Rs.80.00 Crores in G.O.Ms.No.56, Ind & Com (P&I) Dept, dt.26.04.2017. The issue was taken up in SIPB Meeting held on 15.02.2018 directing the APIIC to execute the work across NH & Railway line near KIA site duly engaging PMC for the said work. The ROB was initially proposed across NH-44 and later it was decided to extend the construction of ROB across the Railway line also to ease the traffic flow from KIA ancillary units, KIA town ship located on opposite side of KIA mail plant. Accordingly the cost of ROB with approaches consisting of partial clover leaf including PMC charges & statutory payment for Railways is worked as Rs.97.33 Crores.

8. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., while enclosing the Proforma Estimate of the proposed work prepared and submitted vide Lr.dt.21.06.2017 by the S.E., (R&B) Circle, Ananthapuramu for Rs.100.00 Crores to the CE (R&B) MDR, OR & LWE and CE (R&B) Buildings & RSW, Vijayawada for obtaining Administrative sanction from Government, has therefore, requested the Government to sanction an amount of Rs.97.33 Crores and to release funds to APIIC accordingly to take up the intended work.

9. Government, after careful examination of the matter hereby permit the APIIC to incur the further expenditure of Rs.97.33 Crores from out of the loan amount committed for infrastructure facility i.e. for construction of 4-lane Road & Rail Over Bridge (ROB) at KIA site, Erramanchi (V), Penukonda (M), Ananthapuramu District. Administrative sanction is hereby granted for the same and APIIC shall execute the work as per Government norms.

10. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., Vijayawada shall take further necessary action in the matter accordingly.

11. This order issued with the concurrence of Finance (FMU-I&C) Dept vide their U.O.No.58030/18/FMU.I&C/2018, dt.20.08.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd., H.No.12B, 59A-8-12B, Guru Nanak Colony Road, Teacher's Colony, Vijayawada-520008.

Copy to:

The Commissioner of Industries, 1st Floor, Government Regional Printing Press Buildings, Mutyalampadu, Vijayawada – 520 011.
The Finance (FMU-I&C) Department.
The P.S. to Principal Secretary to C.M. (GSP), A.P. Secretariat, Velagapudi.
The P.S.to Secretary to Government & CIP, Ind & Com Department.
SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER